Cce Vs. Velcord Textiles

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SooperKanoon Citation : sooperkanoon.com/36210

Court : Customs Excise and Service Tax Appellate Tribunal CESTAT Mumbai

Decided On : Aug-11-2004

Reported in : (2004)(116)LC732Tri(Mum.)bai

Judge : J Balasundaram, A M Moheb

Appellant : Cce

Respondent : Velcord Textiles

Judgement :

1. The Revenue is aggrieved by the order of the Commissioner (Appeals), holding that the process of Float cutting carried out by the respondents herein on woven pile fabrics does not amount to manufacture so as to result in manufacture of a new product falling for classification under CET Subheading No. 5801.22 attracting duty at the appropriate rate and setting aside the duty demand of Rs. 65,04,104/- confirmed against the assesses by the Assistant Commissioner.

2. On hearing both sides, and noting that the Commissioner (Appeals) has relied upon CBEC Circular No. 363/79/97-CX dt. 10.12.1997 clarified that cut-float pile fabrics as well as in cut pile fabrics will be treated as woven pile fabrics not subjected to any process fall under CET Sub-heading 5801.21 and although float cutting would amount to manufacture as defined under Section 2(f) of the Central Excise Act, the classification of woven pile fabrics would not change from CET Subheading 5801.21 to 5801.22, we see no merit in the contention of the Revenue's that the classification of the goods in dispute shifts to CET Sub-heading

5801.22 attracting the provisions of Chapter Note 8 to Chapter 58. We, therefore, see no ground to interfere with the impugned order and accordingly uphold the same and reject the appeal.